

AMENDED IN SENATE JUNE 14, 2004
AMENDED IN ASSEMBLY MAY 20, 2004
AMENDED IN ASSEMBLY MAY 4, 2004
AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2572

Introduced by Assembly Member Kehoe
(Coauthors: Assembly Members Bermudez, Shirley Horton,
Jackson, Nation, and Pavley)
(Coauthors: Senators Alpert and Perata)

February 20, 2004

An act to amend Sections 111 and 521 of, to amend the heading of Article 3 (commencing with Section 520) of Chapter 8 of Division 1 of, and to add Section 523.5 to, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2572, as amended, Kehoe. Water meters.

Existing law requires the installation of a water meter as a condition of water service provided pursuant to a connection installed on and after January 1, 1992. Existing law declares that the state goal for measurement of water use is the achievement, on or before January 1, 1992, of the installation of water meters on all new water service connections after that date to systems owned or operated by a water purveyor.

This bill, with certain exceptions, would require an urban water supplier, as defined, on or before January 1, 2025, to install water meters

on all municipal and industrial water service connections that are located in its service area.

The bill would require an urban water supplier, on or before January 1, 2010, but subject to certain exceptions, to charge each customer that has a service connection for which a water meter has been installed, based on the actual volume of deliveries, as measured by a water meter. The bill would require *that*, after specified deadlines, an urban water supplier that applies for financial assistance from the state for a wastewater treatment project, drinking water treatment project, or water use efficiency project, or a permit for a new or expanded water supply, to demonstrate that the applicant meets certain requirements. The bill would also authorize a water purveyor, including a water supplier, to recover the cost of providing services related to the purchase, installation, and operation of a water meter from rates, fees, or charges. The bill would ~~permit~~ *require* a water purveyor, that becomes an urban water supplier on or after January 1, 2005, including an urban water supplier that receives water from the federal Central Valley Project, as specified, *within* 10 years, commencing on January 1 of the first full year it meets the definition of urban water supplier, to install water meters on all municipal and industrial water service connections and *within* 5 years, commencing on January 1 of the first full year it meets that definition, to comply with the volume-based charge requirement for service connections for which a water meter has been installed.

The bill would provide that these provisions supersede and preempt all enactments, including charter provisions and amendments thereto, and other local action of cities and counties, including charter cities and charter counties, and other local public agencies that conflict with these provisions, other than enactments or local action that impose additional or more stringent requirements regarding matters set forth in the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 111 of the Water Code is amended to
- 2 read:
- 3 111. (a) Subject to subdivision (e), but notwithstanding any
- 4 other provision of law, an urban water supplier that, on or after
- 5 January 1, 2004, receives water from the federal Central Valley



1 Project under a water service contract or subcontract executed
2 pursuant to Section 485h(c) of Title 43 of the United States Code
3 with the Bureau of Reclamation of the United States Department
4 of the Interior shall do both of the following:

5 (1) On or before January 1, 2013, install water meters on all
6 service connections to residential and nonagricultural commercial
7 buildings constructed prior to January 1, 1992, located within its
8 service area.

9 (2) On and after March 1, 2013, or according to the terms of the
10 Central Valley Project water contract in operation, charge
11 customers for water based on the actual volume of deliveries, as
12 measured by a water meter.

13 (b) An urban water supplier that receives water from the federal
14 Central Valley Project under a water service contract or
15 subcontract described in subdivision (a) may recover the cost of
16 providing services related to the purchase, installation, and
17 operation and maintenance of water meters from rates, fees, or
18 charges.

19 (c) This section, which ensures the ability of certain urban
20 water suppliers to meet the water supply needs of their customers,
21 addresses a subject matter of statewide concern and applies to all
22 counties and cities, including charter counties and charter cities,
23 and local public agencies that are urban water suppliers that are
24 described in subdivision (a).

25 (d) For the purposes of this section, “urban water supplier” has
26 the same meaning as that set forth in Section 10617 and “water
27 meter” has the same meaning as that set forth in Section 516.

28 (e) (1) Subdivision (a) only applies to an urban water supplier
29 that meets the definition of an urban water supplier prior to January
30 1, 2005.

31 (2) A water purveyor for which both of the following apply is
32 subject to subdivision (g) of Section 523.5 and not subdivision (a)
33 of this section:

34 (A) On or after January 1, 2005, the water purveyor becomes
35 an urban water supplier.

36 (B) The water purveyor receives water from the federal Central
37 Valley Project under a water service contract or subcontract
38 described in subdivision (a).

1 SEC. 2. The heading of Article 3 (commencing with Section
2 520) of Chapter 8 of Division 1 of the Water Code is amended to
3 read:

4
5 Article 3. Water Measurement
6

7 SEC. 3. Section 521 of the Water Code is amended to read:
8 521. The Legislature further finds and declares all of the
9 following:

10 (a) Water furnished or used without any method of
11 determination of the quantities of water used by the person to
12 whom the water is furnished has caused, and will continue to
13 cause, waste and unreasonable use of water, and that this waste and
14 unreasonable use should be identified, isolated, and eliminated.

15 (b) Water metering and volumetric pricing are among the most
16 efficient conservation tools, providing information on how much
17 water is being used and pricing to encourage conservation.

18 (c) Without water meters, it is impossible for homeowners and
19 businesses to know how much water they are using, thereby
20 inhibiting conservation, punishing those who conserve, and
21 rewarding those who waste water.

22 (d) Existing law requires the installation of a water meter as a
23 condition of water service provided pursuant to a connection
24 installed on or after January 1, 1992, but the continuing
25 widespread absence of water meters and the lack of volumetric
26 pricing could result in the inefficient use of water for municipal
27 and industrial uses.

28 (e) The benefits to be gained from metering infrastructure are
29 not recovered if urban water suppliers do not use this
30 infrastructure.

31 (f) Section 523.5, which pertains to water measurement,
32 addresses a subject matter of statewide concern. It is the intent of
33 the Legislature that Section 523.5 supersede and preempt all
34 enactments and other local action of cities and counties, including
35 charter cities and charter counties, and other local public agencies
36 that conflict with Section 523.5, other than enactments or local
37 action that impose additional or more stringent requirements
38 regarding matters set forth in Section 523.5.

39 (g) An urban water supplier should take any available
40 necessary step consistent with state law to ensure that the

1 implementation of Section 523.5 does not place an unreasonable
2 burden on low-income facilities.

3 SEC. 4. Section 523.5 is added to the Water Code, to read:

4 523.5. (a) An urban water supplier that is not subject to
5 Section 111 shall install water meters on all municipal and
6 industrial service connections located within its service area.
7 Except as provided in subdivision (g), an urban water supplier
8 shall implement this subdivision on or before January 1, 2025.

9 (b) (1) An urban water supplier that is not subject to Section
10 111 shall charge each customer that has a service connection for
11 which a water meter has been installed, based on the actual volume
12 of deliveries, as measured by the water meter.

13 (2) Except as provided in this paragraph or in subdivision (g),
14 an urban water supplier shall implement this subdivision on or
15 before January 1, 2010. In order to provide customers with
16 experience in volume-based water service charges, an urban water
17 supplier that is subject to this subdivision may delay, ~~until January~~
18 ~~1, 2011~~ *for one annual seasonal cycle of water use*, the use of
19 meter-based charges for service connections that are being
20 converted from nonvolume-based billing to volume-based billing.

21 (c) On and after January 1, 2010, an urban water supplier that
22 applies for financial assistance from the state for a wastewater
23 treatment project, a water use efficiency project, or a drinking
24 water treatment project, or for a permit for a new or expanded
25 water supply, shall demonstrate that the applicant meets the
26 requirements of subdivision (b) or (g) of this section or Section
27 111.

28 (d) On or after January 1, 2015, an urban water supplier that
29 applies for financial assistance from the state for a wastewater
30 treatment project, a water use efficiency project, or a drinking
31 water treatment project, or for a permit for a new or expanded
32 water supply, shall demonstrate that the applicant meets the
33 requirements of subdivision (a) or (g) of this section or Section
34 111.

35 (e) A water purveyor, including an urban water supplier, may
36 recover the cost of providing services related to the purchase,
37 installation, and operation of a water meter from rates, fees, or
38 charges.

39 (f) (1) Subject to paragraph (2), this section supersedes and
40 preempts all enactments, including charter provisions and

1 amendments thereto, and other local action of cities and counties,
2 including charter cities and charter counties, and other local public
3 agencies that conflict with this section.

4 (2) This section does not supersede or preempt any enactment
5 or other local action that imposes additional or more stringent
6 requirements regarding matters set forth in this section.

7 (g) (1) A water purveyor that becomes an urban water supplier
8 on or after January 1, 2005, shall have 10 years, commencing on
9 January 1 of the first full year it meets the definition of urban water
10 supplier, to install water meters on all municipal and industrial
11 service connections located within its service area and five years,
12 commencing on January 1 of the first full year it meets the
13 definition of urban water supplier, to charge each customer that has
14 a service connection for which a water meter has been installed,
15 based on the actual volume of deliveries, as measured by the water
16 meter.

17 (2) A water purveyor for which both of the following apply is
18 subject to this subdivision and not subdivision (a) of Section 111:

19 (A) On or after January 1, 2005, the water purveyor becomes
20 an urban water supplier.

21 (B) The water purveyor receives water from the federal Central
22 Valley Project under a water service contract or subcontract
23 described in subdivision (a) of Section 111.

24 (h) For the purposes of Sections 521 and this section, “urban
25 water supplier” has the same meaning as that set forth in Section
26 10617 and “water meter” has the same meaning as that set forth
27 in Section 516.

